

**MINUTES OF THE
BUDGET COMMITTEE**

THURSDAY, JANUARY 31, 2008

At a **Special Meeting** of the **Budget Committee**, held Thursday, January 31, 2008, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, J. Flynn, Gielegghem, Haggerty, Lund, Mijac, Rengert, Roberts, Rocca, Sauger, Slinde, Switalski, Szczepanski, Tocco and Vosburg.

Absent and excused were Crouchman and Torrice.

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:08 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Camphous-Peterson, supported by Szczepanski, to adopt the agenda, as presented. **The Motion Carried.**

MINUTES

MOTION

A motion was made by Sauger, supported by Szczepanski, to approve the December 11, 2007 minutes of this committee, as written. **The Motion Carried.**

PUBLIC PARTICIPATION

Jack Doerr, 22407 Bayview, St. Clair Shores

Mr. Doerr spoke about an article that appeared in the Free Press and questioned why Board Chair Crouchman should have to pay \$400 for a ticket to attend the Auto Show. He felt that the Auto Show should be held at the state fairgrounds during the Michigan State Fair to draw a bigger turnout.

Leocadia Breasbois, 7227 Meisner, China, MI

Ms. Breasbois expressed concern about the Board approving recent construction projects, about the doubling of parking fees for non-management level employees, and about the last round of contract negotiations and now the county wanting more health insurance concessions.

Robert Ihrie, City Attorney for St. Clair Shores

Mr. Ihrie spoke on behalf of himself and others against the preliminary consideration for the county to assess municipalities for the time that inmates -- defendants who are sentenced to the County Jail -- spend in the County Jail. They oppose such an assessment.

RECEIVE AND FILE LETTER FROM HUMAN RESOURCES REGARDING FINANCIAL IMPACT OF LAYOFFS AND RECALLS

MOTION

A motion was made by Szczepanski, supported by Camphous-Peterson, to receive and file the letter from Human Resources regarding financial impact of layoffs and recalls.

MOTION

A motion was made by Bruley, supported by Switalski, to **postpone** this report indefinitely.

Commissioner Bruley thought the budget process was started late and did not think that layoffs need to be a part of the solution. He recalled at last week's Personnel Committee meeting, commissioners were presented 20 or so positions to reconfirm. He would rather go through this through attrition than layoff. But, the Board does not have a proper way to figure out what attrition should be and there has not been a way set up to do that. He expressed concern that negotiations were started too late. He stated that management and labor has to get together and they have to find a solution that does health care in a different way.

Several commissioners spoke and were not in favor of laying off employees. Discussion ensued about the process that was created at the special meeting of the Budget Committee on October 31, 2007. It was noted that the Board wiped out half of the \$12 million deficit in two months. It was noted that the Board put themselves on the clock by setting the deadline of January 31, 2008.

Several commissioners felt that the Board needs the time to assess what is going to happen in labor negotiations.

A roll call vote was taken on the **motion to postpone** as follows:

Voting Yes were Brdak, Bruley, Camphous-Peterson, DiMaria, Doherty, Duzyj, David Flynn, Gielegem, Mijac, Rengert, Roberts, Sauger, Switalski and Tocco. There were 14 "Yes" votes.

Voting No were Brown, DeSaele, Drolet, Joan Flynn, Haggerty, Lund, Rocca, Slinde, Szczepanski and Vosburg. There were 10 "No" votes.

The Motion Carried.

ADOPT RECOMMENDATIONS FROM COMMISSIONERS SUSAN DOHERTY AND ANDREY DUZYJ TO INCREASE REVENUES AND REDUCE EXPENDITURES AS OUTLINED IN THEIR CORRESPONDENCE DATED 01-22-08

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT THE RECOMMENDATIONS AS OUTLINED IN CORRESPONDENCE FROM COMMISSIONERS SUSAN DOHERTY AND ANDREY DUZYJ DATED 01-22-08 FOR PUBLIC AFFAIRS AND TO DIRECT THE COUNTY LIBRARY TO PURSUE THE THREE REVENUES AS OUTLINED IN CORRESPONDENCE.

Commissioner Doherty indicated that there was still quite a few things that have to be worked out with regard to the numbers in the three-page schedule, but thought the two things that could be adopted today would be to go forward with the Public Affairs Office on the \$10,000 revenue source for a county magazine and also to direct the County Library to go ahead and pursue those few revenue streams. Commissioner Duzyj agreed.

Chair Brown indicated that Public Affairs and the County Library would be discussed and voted on **separately**.

Separated Item: Public Affairs – Estimated Revenue Potential \$10,000

Contained within the three-page schedule, under Public Affairs, it stated: The Public Affairs Director has stated that we could generate revenue for the General Fund by publishing a County magazine. The magazine would be published by a third party who would sell advertising to pay for the magazine and generate a small profit.

Commissioner Rocca expressed concern that this will be a cost to the county, because the county will be contributing Mr. Frame's time, his talent, his time that the county is paying him and his assistant, and his resources to this. Mr. Frame answered questions.

A discussion ensued with Mr. Frame about what types of businesses will advertise in this magazine, if commissioners will have a say in what goes in the magazine before it goes to print, what percentage of the advertising revenue will come to the county, and if a legal contract will be brought before the Board for their approval.

Inquiry was made about how much of Mr. Cassin's time and his staff time it will take to help give the information to the Public Affairs Department. Mr. Cassin said that most of the information is readily available and thought it would be a minimal of five hours at the most.

Commissioners requested to see a sample of the product before the Full Board meeting.

Chair Brown called for a vote on the **separated item** and **THE MOTION CARRIED WITH BROWN AND ROCCA VOTING "NO."**

Separated Item: County Library – Estimated Revenue Potential \$9,500

Contained within the three-page schedule, under County Library, it stated: Work with the County Library to establish the following fees:

- | | |
|---------|--|
| \$5,000 | A fee for the private use of its meeting rooms. |
| \$2,000 | A fee to individuals for support provided through the Foundation and Grant Resource Center. Usage of the grant database would remain free. |
| \$2,500 | A fee for the usage of the computer training room by private individuals and groups. |

There was no discussion.

Chair Brown called for a vote on the **separated item** and **THE MOTION CARRIED.**

After the vote, Commissioner Switalski said that he is a member of the Library Board and will pursue the logistics of these revenues as well as others at the next Library Board meeting.

JUSTICE & PUBLIC SAFETY ADDITIONAL BUDGET ADJUSTMENT RECOMMENDATION

Before the start of this committee meeting, Commissioner Rengert distributed handouts.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY RENGERT, SUPPORTED BY VOSBURG, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT RECOMMENDATION TO INCLUDE \$250,000 OF BUDGET CUTS FOR THE PROSECUTING ATTORNEY'S OFFICE AND ACCEPT THE JUSTICE & PUBLIC SAFETY CUT AMOUNTS FOR EMERGENCY MANAGEMENT (\$3,000), TECHNICAL SERVICES (\$6,000), AND COMMUNITY CORRECTIONS (\$11,300); THUS PROVIDING AN ADDITIONAL BUDGET CUT OF \$80,300.

Commissioner Rengert provided a lengthy overview of his handouts. The first handout was entitled, Justice and Public Safety – Targeted Dollar Values. The second handout contained the following information: Technical Services Department Function & Information, List of Communities and Departments Serviced by Technical Services, Emergency Management Office Mandates/Function Information, and Emergency Management Other Revenue/Grant Funding.

AMENDMENT

A MOTION WAS MADE BY BRULEY, SUPPORTED BY GIELEGHEM, TO AMEND THE REPORT TO INCLUDE THE CLOSING OF THE STREET LEVEL ENTRANCE TO THE ADMINISTRATION BUILDING WITHIN THE NEXT 30 DAYS AND THAT THE CHAIR OF THE BOARD BE AUTHORIZED ON SPECIAL OCCASIONS TO ALLOW THAT ENTRANCE TO BE USED AND WHEN IT IS USED THAT THE COST WOULD BE INCLUDED IN THE BLUE COATS BUDGET THAT THEY PRESENTLY HAVE.

Commissioner Bruley felt that the street level entrance is not used that widely and it is not used by the public that widely at all. There are no parking spaces around it for people to access it. The walking traffic could be accommodated by having people go through the County Building and come through the tunnel.

Commissioner Rengert recalled that right now the Blue Coats have reduced their budget by \$30,000, which is two staff members and a reduction to the first floor of this building. He recalled at the last Justice and Public Safety Committee meeting there was not a real good presentation and clarity and thus, he put it on the agenda again for next week on Monday.

Several commissioners spoke against closing the street level entrance to the Administration Building. They expressed concern about egress issues that need to be addressed. Mr. Anderson did not think this would be approved by the local fire department. He was very hesitant to close that first floor and it has to do with evacuations of personnel. During discussion, inquiries were directed to Lt. Bill Donovan and Captain John Roberts.

Some commissioners felt that if one Blue Coat was stationed on the first floor, then why not allow people to come through those doors. Inquiry was made as to why the county cannot

put the same system in like they have near the stairwell of the first floor at the Court Building. During discussion, inquiries were directed to Lt. Donovan.

Commissioner Rengert suggested setting up a special committee to review Blue Coats station by station. He expressed concern about handicapped people and others not being able to enter those doors if the street level entrance is closed. He informed commissioners that another thing that was being looked at pertained to the Clemens Center where the county has a lease with the state. That is probably one of the busiest spots for picking up contraband and is there something that the county can charge back to the state.

AMENDMENT

A MOTION WAS MADE BY DeSAELE, SUPPORTED BY DOHERTY, TO AGREE TO THE CLOSING OF THE STREET LEVEL ENTRANCE TO THE ADMINISTRATION BUILDING, PENDING COMING BACK TO THE NEXT JUSTICE AND PUBLIC SAFETY COMMITTEE MEETING AS TO WHAT THE RAMIFICATIONS WILL BE AND HOW MUCH IT WILL COST OF CLOSING THAT DOOR. **THE MOTION WAS DEFEATED.**

A ROLL CALL VOTE WAS TAKEN ON THE **AMENDMENT** (Commissioner Bruley's motion) AS FOLLOWS:

VOTING YES WERE BRDAK, BROWN, BRULEY, DROLET, DAVID FLYNN, GIELEGHEM, LUND, MIJAC, ROBERTS, ROCCA, SWITALSKI, SZCZEPANSKI, TOCCO AND VOSBURG. THERE WERE 14 "YES" VOTES.

VOTING NO WERE CAMPHOUS-PETERSON, DeSAELE, DiMARIA, DOHERTY, DUZYJ, JOAN FLYNN, HAGGERTY, RENGERT, SAUGER AND SLINDE. THERE WERE 10 "NO" VOTES.

THE MOTION CARRIED.

Commissioner Brdak asked Mr. Diegel if he would do an analysis of Commissioner Rengert's first handout. Mr. Diegel said that he would bring it back to an appropriate committee.

Chair Brown called for a vote on the **main motion, as amended**, and **THE MOTION CARRIED.**

ADOPT RECOMMENDATIONS TO INCREASE REVENUES AND REDUCE EXPENDITURES AS OUTLINED IN CORRESPONDENCE FROM THE BUDGET COMMITTEE CHAIR DATED 01-23-08

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY SZCZEPANSKI, SUPPORTED BY LUND, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT RECOMMENDATIONS TO INCREASE REVENUES AND REDUCE EXPENDITURES AS OUTLINED IN CORRESPONDENCE FROM THE BUDGET COMMITTEE CHAIR DATED 01-23-08.

Chair Brown recalled that there is a little over \$5 million that is yet to be identified as savings or revenue to balance the budget. The schedule represents a theoretical or possible scenario where the Board, if they wish to spread the \$5 million over the departments, where those monies would go to and potentially where the impact would come in terms of personnel. He felt it was up to the Board to decide whether they want to spread that \$5 million over those departments as indicated by the schedule, or amend the schedule, or identify other sources of revenue or expenditure reductions that would lower that number to be spread over the departments.

Commissioner Roberts offered the following **substitute motion**:

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY ROBERTS, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS TAKE THE REMAINING DEFICIT OF \$5,135,966 FROM THE RAINY DAY FUND TO BALANCE THE BUDGET, BUT ANY COST SAVINGS OR REVENUE GENERATING MEASURE IMPLEMENTED THIS YEAR WILL GO BACK TO THE RAINY DAY FUND TO REIMBURSE THE FUND.

A discussion ensued with Mr. Diegel about the balance in the Rainy Day Fund and about the county's deficit.

Commissioner Roberts wanted to be explicitly clear that it is not to take \$5 million and say that the Board's job is done. The Board has a lot of hard work ahead of them, not just the ideas about how to save money now and generate revenue. The Board has to look at structural changes in county government.

Commissioner Szczepanski offered an amendment that the Board take out of the Rainy Day Fund this year, the payment to offset retiree health benefits. It was not supported. The motion died due to lack of support. A discussion ensued with Mr. Diegel about the growing unfunded liability.

Commissioner Slinde recalled that for the last couple months she has been suggesting to different commissioners that the Board should establish an Energy Committee. Commissioner Joan Flynn said that this issue will be decided at an upcoming Operational Services Committee meeting.

Commissioner Switalski felt that the Board needs to set up a process about reconfirming vacant positions. The Board should not reconfirm another single position, unless it is absolutely necessary. Secondly, the health care costs need to be worked out. This has to be the number one priority of the Board to work with the labor unions to get this under control immediately.

A ROLL CALL VOTE WAS TAKEN ON THE **SUBSTITUTE MOTION** (Commissioner Robert's motion) AS FOLLOWS:

VOTING YES WERE BRDAK, BRULEY, CAMPHOUS-PETERSON, DiMARIA, DOHERTY, JOAN FLYNN, GIELEGHEM, HAGGERTY, ROBERTS, SAUGER, SLINDE, SWITALSKI AND TOCCO. THERE WERE 13 "YES" VOTES.

VOTING NO WERE BROWN, DeSAELE, DROLET, DUZYJ, DAVID FLYNN, LUND, MIJAC, RENGERT, ROCCA, SZCZEPANSKI AND VOSBURG. THERE WERE 11 "NO" VOTES.

THE MOTION CARRIED.

NEW BUSINESS

MOTION

A motion was made by David Flynn, supported by Brdak, to **suspend the rules** for the purpose of making a motion.

A discussion ensued.

A roll call vote was taken on the **motion to suspend the rules** as follows:

Voting Yes were Brdak, Bruley, Camphous-Peterson, DiMaria, Doherty, Drolet, Duzyj, David Flynn, Joan Flynn, Gieleghem, Haggerty, Mijac, Roberts, Rocca, Sauger, Slinde, Switalski and Tocco. There were 18 "Yes" votes.

Voting No were Brown, DeSaele, Lund, Rengert, Szczepanski and Vosburg. There were 6 "No" votes.

The Motion Carried.

MOTION

A motion was made by David Flynn, supported by DiMaria, to recommend that the Personnel Committee Chair create a Personnel Ad Hoc Committee consisting of the Budget Chair, Personnel Chair, and Finance Chair to evaluate reconfirmations with the goal of cost savings through attrition in order to avoid layoffs.

A discussion ensued with Mr. Brumbaugh.

Chair Brown called for a vote on the motion and **The Motion Carried.**

ADJOURNMENT

MOTION

A motion was made by Rengert, supported by Slinde, to adjourn the meeting at 12:25 p.m.
The Motion Carried.

Denise M. Jacks
Committee Reporter